



0000159834

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2015 FEB -2 P 12:42

AZ CORP COMMISSION
DOCKET CONTROL

SUSAN BITTER SMITH
CHAIRMAN
BOB STUMP
COMMISSIONER
BOB BURNS
COMMISSIONER
DOUG LITTLE
COMMISSIONER
TOM FORESE
COMMISSIONER

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
EPCOR WATER ARIZONA INC., AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES FOR UTILITY
SERVICE BY ITS MOHAVE WATER
DISTRICT, PARADISE VALLEY WATER
DISTRICT, SUN CITY WATER DISTRICT,
TUBAC WATER DISTRICT, AND MOHAVE
WASTEWATER DISTRICT.

Docket No. WS-01303A-14-0010

Arizona Corporation Commission
DOCKETED

FEB 02 2015

DOCKETED BY

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the
Direct Testimony of Jeffrey Michlik on Rate Design, in the above referenced matter.

RESPECTFULLY SUBMITTED this 2nd day of February, 2015

Daniel W. Pozefsky
Chief Counsel

1 AN ORIGINAL AND THIRTEEN COPIES
2 of the foregoing filed this 2nd day
3 of February, 2015 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007

8 COPIES of the foregoing hand delivered/
9 mailed this 2nd day of February, 2015 to:

10 Dwight Nodes
11 Hearing Division
12 Arizona Corporation Commission
13 1200 W. Washington
14 Phoenix, Arizona 85007

15 Robin Mitchell
16 Matthew Laudone
17 Legal Division
18 Arizona Corporation Commission
19 1200 West Washington
20 Phoenix, Arizona 85007

21 Steve Olea, Director
22 Utilities Division
23 Arizona Corporation Commission
24 1200 West Washington
Phoenix, Arizona 85007

Thomas Campbell
Michael Hallam
Lewis Roca Rothgerber, LLP
201 E. Washington St., Suite 1200
Phoenix, Arizona 85004

Marshall Magruder
P.O. Box 1267
Tubac, Arizona 85646

Rich Bohman
Santa Cruz Valley Citizens Council
P.O. Box 1501
Tubac, Arizona 85646

Greg Patterson
WUAA
916 W. Adams, Suite 3
Phoenix, Arizona 85007

Delman Eastes
2042 E. Sandtrap Lane
Fort Mohave, Arizona 86426

William Bennett
Paradise Valley Country Club
7101 N. Tatum Blvd
Paradise Valley, Arizona 85253

Robert Metli
Munger Chadwick
2398 E. Camelback Rd, Suite 240
Phoenix, Arizona 85016

Andrew Miller
6401 E. Lincoln Dr.
Paradise Valley, Arizona 85253

Jim Stark
Sun City Homeowners Association
10401 W. Coggins Drive
Sun City, Arizona 85351

Albert Gervenack
14751 W. Buttonwood Drive
Sun City West, Arizona 85373

By Cheryl Anaulob

BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH

Chairman

BOB STUMP

Commissioner

BOB BURNS

Commissioner

DOUG LITTLE

Commissioner

TOM FORESE

Commissioner

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. WS-01303A-14-0010
EPCOR WATER ARIZONA, INC., AN)
ARIZONA CORPORATION FOR A)
DETERMINATION OF THE CURRENT FAIR)
VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR INCREASES IN ITS)
RATES AND CHARGES FOR UTILITY)
SERVICES BY ITS MOHAVE WATER)
DISTRICT, PARADISE VALLEY WATER)
DISTRICT, SUN CITY WATER DISTRICT,)
TUBAC WATER DISTRICT, AND MOHAVE)
WASTEWATER DISTRICT.)

DIRECT RATE DESIGN

TESTIMONY OF

JEFFREY M. MICHLIK

PUBLIC UTILITIES ANALYST V

RESIDENTIAL UTILITY CONSUMER OFFICE

FEBRUARY 2, 2015

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION.....	1
II. BACKGROUND.....	1
III. RATE DESIGN	4
IV. TYPICAL BILL ANALYSIS.....	9

SCHEDULES

Mohave Water District

Rate Design JMM-1
Typical Residential Bill Analysis..... JMM-2

Paradise Valley Water District

Rate Design JMM-1
Typical Residential Bill Analysis..... JMM-2

Sun City Water District

Rate Design JMM-1
Typical Residential Bill Analysis..... JMM-2

Tubac Water District

Rate Design JMM-1
Typical Residential Bill Analysis Without ACRM JMM-2
Typical Residential Bill Analysis With ACRM JMM-3

Mohave Wastewater District

Rate Design JMM-1
Typical Residential Bill Analysis..... JMM-2

**EXECUTIVE SUMMARY
EPCOR WATER ARIZONA, INC.
DOCKET NO. WS-01303A-14-0010**

EPCOR Water Arizona Inc. ("EWAZ" or "Company") is an Arizona "C" Corporation.¹ EPCOR is a for profit, certificated Arizona public service corporation that provides water and wastewater utility service to various communities throughout the State of Arizona. On March 10, 2014, the Company filed an application for a permanent rate increase for its Mohave Water District, Paradise Valley Water District, Sun City Water District, Tubac Water District and Mohave Wastewater District. EWAZ's corporate business office is located at 2355 W. Pinnacle Peak Road, Suite 300 Phoenix, Arizona 85027.

RUCO recommends approval of its rate design for the Mohave Water District, Paradise Valley Water District, Sun City Water District, Tubac Water District, and Mohave Wastewater District.

Mohave Water District:

The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-inch meter residential customer, with an average usage of 6,800 gallons, by \$9.06 or 43.92 percent, from \$20.63 to \$29.69. Under the RUCO-recommended rate design for permanent rates, the monthly bill for a typical residential customer would increase by \$0.82 or 3.99 percent, from \$20.63 to \$21.46.

Paradise Valley Water District:

The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-inch meter residential customer, with an average usage of 19,271 gallons, by \$4.47 or 8.54 percent, from \$52.30 to \$56.76. Under the RUCO-recommended rate design for permanent rates, the monthly bill for a typical residential customer would decrease by \$8.61 or negative 16.46 percent, from \$52.30 to \$43.69.

Sun City Water District:

The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-inch meter residential customer, with an average usage of 7,203 gallons, by \$3.82 or 22.00 percent, from \$17.36 to \$21.17. Under the RUCO-recommended rate design for permanent rates, the monthly bill for a typical residential customer would decrease by \$0.00 or 0 percent, from \$17.36 to \$17.36.

Tubac Water District:

The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-inch meter residential customer, with an average usage of 8,348 gallons, by \$54.31 or 116.94 percent, from \$46.44 to \$100.76. Under the RUCO-recommended rate design for permanent rates, the monthly bill for a typical residential customer would increase by \$22.96 or 49.44 percent, from \$46.44 to \$69.41 **without** the Arsenic Cost Recovery Mechanism.

¹ On February 1, 2012, EPCOR Water (USA) Inc. acquired all of Arizona American Water Company's Districts in Arizona and in New Mexico.

The Company-proposed rates would increase the monthly bill for a typical 5/8 x 3/4-inch meter residential customer, with an average usage of 8,348 gallons, by \$47.18 or 88.08 percent, from \$53.57 to \$100.76. Under the RUCO-recommended rate design for permanent rates, the monthly bill for a typical residential customer would increase by \$15.83 or 29.56 percent, from \$53.57 to \$69.41 *with* the Arsenic Cost Recovery Mechanism.

Mohave Wastewater District:

The Company-proposed rates would increase the monthly bill for a typical residential customer by \$25.45 or 45.00 percent, from \$56.55 to \$82.00. Under the RUCO-recommended rate design for permanent rates, the monthly bill for a typical residential customer would increase by \$14.42 or 25.50 percent, from \$56.55 to \$70.97.

I. INTRODUCTION

Q. Please state your name, title, and business address.

A. My name is Jeffrey M. Michlik. I am a Public Utilities Analyst V employed by the Arizona Residential Utility Consumer Office ("RUCO"). My business address is 1110 West Washington Street, Suite 220, Phoenix, Arizona 85007.

Q. Are you the same Jeffrey M. Michlik who has filed testimony pertaining to rate base, operating income, and revenue requirement on behalf of RUCO in this docket for EWAZ's permanent rate application?

A. Yes.

II. BACKGROUND

Q. Please describe the Company and background of the current rate case.

A. EPCOR Water Arizona Inc. ("EWAZ" or "Company") is an Arizona "C" Corporation.² EPCOR is a for profit, certificated Arizona public service corporation that provides water and wastewater utility service to various communities throughout the State of Arizona. On March 10, 2014, the Company filed an application for a permanent rate increase for its Mohave Water District, Paradise Valley Water District, Sun City Water District, Tubac Water District and Mohave Wastewater District. EWAZ's corporate business office is located at 2355 W. Pinnacle Peak Road, Suite 300 Phoenix, Arizona 85027.

Q. Please briefly describe the current rate design structure for the water districts?

² On February 1, 2012, EPCOR Water (USA) Inc. acquired all of Arizona American Water Company's Districts in Arizona and in New Mexico.

1 A. The present rate design is based on monthly minimum charges that increase by
2 meter size and tiered commodity rate charges per one-thousand gallons
3 consumed. There are currently several customer classifications; residential,
4 apartments, commercial, irrigation, hydrants, other public authority users, country
5 clubs, fire sprinklers, and low income.³

6
7 Two of the water district's Paradise Valley and Sun City have a five-tier
8 commodity rate design for all metered residential customers. The Tubac water
9 district has a four-tier commodity rate design for only the 5/8 x 3/4 and 3/4-inch
10 residential customers. While the Mohave Water District has a three-tier
11 commodity rate design for only the 5/8 x 3/4 and 3/4-inch residential customer. All
12 other residential customers and commercial customers have a two-tier commodity
13 rate design. The Other Public Authority and hydrant customers have a single-tier
14 commodity rate design.

15
16 **Q. Has the Company proposed any significant changes to the present rate**
17 **design structure?**

18 A. Yes. The Company proposes to retain the five-tier rate design for residential
19 customers at or under 1-inch, and use a two-tier rate design for residential
20 customers at or over 1.5-inch for the Sun City water district. The Company
21 proposes to retain the five-tier rate design for residential customers at or under 2-
22 inch, and use a two-tier rate design for residential customers at or over 3-inch for
23 the Paradise Valley water district.

24
25 **Q. Is RUCO recommending changes to the present rate design structure?**

³ Note this list is not all inclusive.

1 A. No. However, RUCO is recommending changing some break-over points, so that
2 a larger size meter customer does not pay less than a smaller sized meter
3 customer for the same gallon usage.
4

5 **Q. Has RUCO altered the rate design structure or rates for the Sun City Water**
6 **District?**

7 A. No, not at this point due to the immaterial decrease recommended by RUCO to
8 the revenue requirement. RUCO recommends the same rates that were
9 previously approved by the Commission. However, RUCO will update its
10 schedules for this district in surrebuttal testimony, and address any break-over
11 issues then.
12

13 **Q. Please briefly describe the current rate design structure for the Mohave**
14 **wastewater district?**

15 A. The present rate design is based on a flat monthly charge for residential,
16 commercial, and public authority customers. While the large commercial
17 customers have both a monthly minimum charge and a commodity charge per
18 1,000 gallons. The present rate design also includes a commodity charge per
19 1,000 gallons for effluent.
20
21

1 **III. RATE DESIGN**

2 **Q. Have you prepared schedules summarizing the present, Company-**
3 **proposed, and RUCO-recommended rates and charges?**

4 A. Yes. RUCO has presented its recommended rates in the attached Rate Design
5 Schedule JMM-1. A brief summary of the present, Company-proposed, and
6 RUCO-recommended rates for the 5/8 x 3/4-inch residential customer for each
7 district is presented below.

8
9 **Mohave Water District**

10 **Q. Would you please summarize the present rate design for the 5/8 x 3/4-inch**
11 **residential customer?**

12 A. The present monthly minimum charge for a 5/8 x 3/4-inch residential customer is
13 \$11.0000. No gallons are included in the monthly minimum charge. The
14 residential water commodity rate for the 5/8 x 3/4-inch residential customer is
15 \$0.8800 per thousand gallons for 1 to 3,000 gallons, \$1.8400 per thousand
16 gallons for 3,001 to 10,000 gallons, and \$3.0000 per thousand gallons for any
17 consumption over 10,000 gallons.

18
19 **Q. Would you please summarize the Company's proposed rate design for the**
20 **5/8 x 3/4-inch residential customer?**

21 A. The Company-proposed monthly minimum charge for a 5/8 x 3/4-inch residential
22 customer is \$15.5430. No gallons are included in the monthly minimum charge.
23 The residential water commodity rate for the 5/8 x 3/4-inch residential customer is
24 \$1.5500 per thousand gallons for 1 to 3,000 gallons, \$2.5000 per thousand
25 gallons for 3,001 to 10,000 gallons, and \$3.2500 per thousand gallons for any
26 consumption over 10,000 gallons.

1 **Q. Would you please summarize RUCO's recommended rate design for the 5/8**
2 **x 3/4-inch residential customer?**

3 A. RUCO recommends a monthly minimum charge for a 5/8 x 3/4-inch residential
4 customer of \$11.4000. No gallons are included in the monthly minimum charge.
5 RUCO recommends the residential water commodity rate for the 5/8 x 3/4-inch
6 residential customer of \$0.9200 per thousand gallons for 1 to 3,000 gallons,
7 \$1.9200 per thousand gallons for 3,001 to 10,000 gallons, and \$3.1600 per
8 thousand gallons for any consumption over 10,000 gallons.
9

10 **Paradise Valley Water District**

11 **Q. Would you please summarize the present rate design for the 5/8 x 3/4-inch**
12 **residential customer?**

13 A. The present monthly minimum charge for a 5/8 x 3/4-inch residential customer is
14 \$25.1500. No gallons are included in the monthly minimum charge. The
15 residential water commodity rate for the 5/8 x 3/4-inch residential customer is
16 \$1.050 per thousand gallons for 1 to 5,000 gallons, \$1.2500 per thousand gallons
17 for 5,001 to 15,000 gallons, \$2.2000 per thousand gallons for 15,001 to 40,000
18 gallons, \$2.7500 per thousand gallons for 40,001 to 80,000 gallons, and \$3.2259
19 per thousand gallons for any consumption over 80,000 gallons.
20

21 **Q. Would you please summarize the Company's proposed rate design for the**
22 **5/8 x 3/4-inch residential customer?**

23 A. The Company-proposed monthly minimum charge for a 5/8 x 3/4-inch residential
24 customer is \$27.2701. No gallons are included in the monthly minimum charge.
25 The residential water commodity rate for the 5/8 x 3/4-inch residential customer is
26 \$1.1408 per thousand gallons for 1 to 5,000 gallons, \$1.3581 per thousand

1 gallons for 5,001 to 15,000 gallons, \$2.3903 per thousand gallons for 15,001 to
2 40,000 gallons, \$2.9879 per thousand gallons for 40,001 to 80,000 gallons, and
3 \$3.5049 per thousand gallons for any consumption over 80,000 gallons.
4

5 **Q. Would you please summarize RUCO's recommended rate design for the 5/8**
6 **x 3/4-inch residential customer?**

7 A. RUCO recommends a monthly minimum charge for a 5/8 x 3/4-inch residential
8 customer of \$22.0000. No gallons are included in the monthly minimum charge.
9 RUCO recommends the residential water commodity rate for the 5/8 x 3/4-inch
10 residential customer of \$0.8000 per thousand gallons for 1 to 5,000 gallons,
11 \$1.0000 per thousand gallons for 5,001 to 15,000 gallons, \$1.8000 per thousand
12 gallons for 15,001 to 40,000 gallons, \$2.3200 per thousand gallons for 40,001 to
13 80,000 gallons, and \$3.000 per thousand gallons for any consumption over
14 80,000 gallons.
15

16 **Sun City Water District**

17 **Q. Would you please summarize the present rate design for the 5/8 x 3/4-inch**
18 **residential customer?**

19 A. The present monthly minimum charge for a 5/8 x 3/4-inch residential customer is
20 \$8.7600. No gallons are included in the monthly minimum charge. The residential
21 water commodity rate for the 5/8 x 3/4-inch residential customer is \$0.7297 per
22 thousand gallons for 1 to 1,000 gallons, \$1.0702 per thousand gallons for 1,001 to
23 3,000 gallons, \$1.3621 per thousand gallons for 3,001 to 9,000 gallons, \$1.6539
24 per thousand gallons for 9,001 to 12,000 gallons, and \$1.9896 per thousand
25 gallons for any consumption over 12,000 gallons.
26

1 **Q. Would you please summarize the Company's proposed rate design for the**
2 **5/8 x 3/4-inch residential customer?**

3 A. The Company-proposed monthly minimum charge for a 5/8 x 3/4-inch residential
4 customer is \$10.7047. No gallons are included in the monthly minimum charge.
5 The residential water commodity rate for the 5/8 x 3/4-inch residential customer is
6 \$0.7500 per thousand gallons for 1 to 1,000 gallons, \$1.3702 per thousand
7 gallons for 1,001 to 3,000 gallons, \$1.6602 per thousand gallons for 3,001 to
8 9,000 gallons, \$1.9002 per thousand gallons for 9,001 to 12,000 gallons, and
9 \$2.1202 per thousand gallons for any consumption over 12,000 gallons.

10
11 **Q. Would you please summarize RUCO's recommended rate design for the 5/8**
12 **x 3/4-inch residential customer?**

13 A. RUCO recommends a monthly minimum charge for a 5/8 x 3/4-inch residential
14 customer of \$8.7600. No gallons are included in the monthly minimum charge.
15 RUCO recommends the residential water commodity rate for the 5/8 x 3/4-inch
16 residential customer of \$0.7297 per thousand gallons for 1 to 1,000 gallons,
17 \$1.0702 per thousand gallons for 1,001 to 3,000 gallons, \$1.3621 per thousand
18 gallons for 3,001 to 9,000 gallons, \$1.6539 per thousand gallons for 9,001 to
19 12,000 gallons, and \$1.9896 per thousand gallons for any consumption over
20 12,000 gallons.

21
22 **Tubac Water District**

23 **Q. Would you please summarize the present rate design for the 5/8 x 3/4-inch**
24 **residential customer?**

25 A. The present monthly minimum charge for a 5/8 x 3/4-inch residential customer is
26 \$24.7000. No gallons are included in the monthly minimum charge. The

1 residential water commodity rate for the 5/8 x 3/4-inch residential customer is
2 \$1.9000 per thousand gallons for 1 to 3,000 gallons, \$3.0000 per thousand
3 gallons for 3,001 to 10,000 gallons, \$4.000 per thousand gallons for 10,001 to
4 20,000 gallons, and \$6.0000 per thousand gallons for any consumption over
5 20,000 gallons.
6

7 **Q. Would you please summarize the Company's proposed rate design for the**
8 **5/8 x 3/4-inch residential customer?**

9 A. The Company-proposed monthly minimum charge for a 5/8 x 3/4-inch residential
10 customer is \$48.2391. No gallons are included in the monthly minimum charge.
11 The residential water commodity rate for the 5/8 x 3/4-inch residential customer is
12 \$5.3300 per thousand gallons for 1 to 3,000 gallons, \$6.8300 per thousand
13 gallons for 3,001 to 10,000 gallons, \$8.1800 per thousand gallons for 10,001 to
14 20,000 gallons, and \$9.3800 per thousand gallons for any consumption over
15 20,000 gallons.
16

17 **Q. Would you please summarize RUCO's recommended rate design for the 5/8**
18 **x 3/4-inch residential customer?**

19 A. RUCO recommends a monthly minimum charge for a 5/8 x 3/4-inch residential
20 customer of \$33.0000. No gallons are included in the monthly minimum charge.
21 RUCO recommends the residential water commodity rate for the 5/8 x 3/4-inch
22 residential customer of \$3.4000 per thousand gallons for 1 to 3,000 gallons,
23 \$4.9000 per thousand gallons for 3,001 to 10,000 gallons, \$6.6000 per thousand
24 gallons for 10,001 to 20,000 gallons, and \$8.8000 per thousand gallons for any
25 consumption over 20,000 gallons.
26

Mohave Wastewater District

Q. Would you please summarize the present rate design for the residential customer?

A. The present monthly minimum charge for a residential customer is \$56.5500.

Q. Would you please summarize the Company's proposed rate design for the residential customer?

A. The Company-proposed monthly minimum for a residential customer is \$81.9975.

Q. Would you please summarize RUCO's recommended rate design for the residential customer?

A. RUCO recommends a monthly minimum charge for a residential customer of \$70.9703.

IV. TYPICAL BILL ANALYSIS

Q. Have you prepared a residential typical bill analysis that shows the impact of both the Company's and RUCO's recommended rates for each of the Company's districts?

A. Yes. RUCO has presented its typical bill analysis in Schedule JMM-2, and has summarized the results for each district below. In addition, RUCO has also included an additional schedule JMM-3 that shows the effects on the typical bill with the Arsenic Cost Recovery Mechanism Surcharge included in the present rates.

1 **Mohave Water District:**

2 The Company-proposed rates would increase the monthly bill for a typical 5/8 x
3 3/4-inch meter residential customer, with an average usage of 6,800 gallons, by
4 \$9.06 or 43.92 percent, from \$20.63 to \$29.69. Under the RUCO-recommended
5 rate design for permanent rates, the monthly bill for a typical residential customer
6 would increase by \$0.82 or 3.99 percent, from \$20.63 to \$21.46.

7
8 **Paradise Valley Water District:**

9 The Company-proposed rates would increase the monthly bill for a typical 5/8 x
10 3/4-inch meter residential customer, with an average usage of 19,271 gallons, by
11 \$4.47 or 8.54 percent, from \$52.30 to \$56.76. Under the RUCO-recommended
12 rate design for permanent rates, the monthly bill for a typical residential customer
13 would decrease by \$8.61 or negative 16.46 percent, from \$52.30 to \$43.69.

14
15 **Sun City Water District:**

16 The Company-proposed rates would increase the monthly bill for a typical 5/8 x
17 3/4-inch meter residential customer, with an average usage of 7,203 gallons, by
18 \$3.82 or 22.00 percent, from \$17.36 to \$21.17. Under the RUCO-recommended
19 rate design for permanent rates, the monthly bill for a typical residential customer
20 would decrease by \$0.00 or 0 percent, from \$17.36 to \$17.36.

21
22 **Tubac Water District:**

23 The Company-proposed rates would increase the monthly bill for a typical 5/8 x
24 3/4-inch meter residential customer, with an average usage of 8,348 gallons, by
25 \$54.31 or 116.94 percent, from \$46.44 to \$100.76. Under the RUCO-
26 recommended rate design for permanent rates, the monthly bill for a typical

1 residential customer would increase by \$22.96 or 49.44 percent, from \$46.44 to
2 \$69.41 ***without*** the Arsenic Cost Recovery Mechanism.

3
4 The Company-proposed rates would increase the monthly bill for a typical 5/8 x
5 3/4-inch meter residential customer, with an average usage of 8,348 gallons, by
6 \$47.18 or 88.08 percent, from \$53.57 to \$100.76. Under the RUCO-
7 recommended rate design for permanent rates, the monthly bill for a typical
8 residential customer would increase by \$15.83 or 29.56 percent, from \$53.57 to
9 \$69.41 ***with*** the Arsenic Cost Recovery Mechanism.

10
11 **Mohave Wastewater District:**

12 The Company-proposed rates would increase the monthly bill for a typical
13 residential customer by \$25.45 or 45.00 percent, from \$56.55 to \$82.00. Under
14 the RUCO-recommended rate design for permanent rates, the monthly bill for a
15 typical residential customer would increase by \$14.42 or 25.50 percent, from
16 \$56.55 to \$70.97.

17
18 **Q. Does this conclude your rate design direct testimony?**

19 **A. Yes, it does.**

Rate Design

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size:</u>			
5/8x3/4 Inch - Residential - Low Income	\$ 6.0000	\$ 9.3258	\$ 6.8400
5/8x3/4 Inch - Residential	11.0000	15.5430	11.4000
5/8x3/4 Inch - Apartment, Commercial, Industrial, OPA	11.0000	15.5430	11.4000
3/4 Inch - Residential	11.0000	15.5430	11.4000
3/4 Inch - Commercial, Industrial	11.0000	15.5430	11.4000
3/4 Inch - Apartment, OPA	11.0000	15.5430	11.4000
1 Inch - All classes	27.5000	38.8575	28.5000
1.5 Inch - All classes	55.0000	77.7150	57.0000
2 Inch - All classes	88.0000	124.3440	91.2000
3 Inch - All classes	176.0000	248.6880	182.4000
4 Inch - All classes	275.0000	388.5750	285.0000
6 Inch - All classes	550.0000	777.1500	570.0000
8 Inch - All classes	880.0000	1,243.4400	912.0000
10 Inch - All classes	1,265.0000	1,787.4450	1,311.0000
12 Inch - All classes	2,365.0000	3,341.7450	2,451.0000
<u>Fire Flow:</u>			
2 Inch - Private Fire	\$ 5.0000	\$ 6.0325	\$ 5.1800
4 Inch - Private Fire	10.0000	12.0650	10.3600
6 Inch - Private Fire	15.0000	18.0975	15.5500
8 Inch - Private Fire	20.0000	24.1300	20.7300
10 Inch - Private Fire	25.0000	30.1625	25.9100
Public Hydrants	12.3200	14.8641	12.7700
Private Hydrants	12.3200	14.8641	12.7700
Public Sprinkler Head	0.7300	0.8807	0.7600
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>5/8 x 3/4" Meter (Residential)</u>			
First 3,000 gallons	\$ 0.8800	\$ 1.5500	\$ 0.9200
3,001 to 10,000 gallons	1.8400	2.5000	1.9200
All gallons over 10,000	3.0000	3.2500	3.1600
<u>5/8 x 3/4" Meter (Apartment, Commercial, Industrial)</u>			
First 10,000 gallons	1.8400	2.5000	1.9200
Over 10,000 gallons	3.0000	3.2500	3.1600
<u>3/4" Meter (Residential)</u>			
First 3,000 gallons	\$ 0.8800	\$ 1.5500	\$ 0.9200
3,001 to 10,000 gallons	1.8400	2.5000	1.9200
All gallons over 10,000	3.0000	3.2500	3.1600
<u>3/4" Meter (Apartment)</u>			
First 10,000 gallons	N/A	2.5000	1.9200
Over 10,000 gallons	N/A	3.2500	3.1600
3/4" Other Public Authority	N/A	2.5000	1.9200
<u>3/4" Meter (Commercial, Industrial)</u>			
First 10,000 gallons	N/A	2.5000	1.9200
Over 10,000 gallons	N/A	3.2500	3.1600
<u>1" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 15,000 gallons	1.8400	2.5000	1.9200
Over 15,000 gallons	3.0000	3.2500	3.1600
<u>1.5" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 30,000 gallons	1.8400	2.5000	1.9200
Over 30,000 gallons	3.0000	3.2500	3.1600

Rate Design

<u>2" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 50,000 gallons	1.8400	2.5000	1.9200
Over 50,000 gallons	3.0000	3.2500	3.1600
<u>3" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 100,000 gallons	1.8400	2.5000	1.9200
Over 100,000 gallons	3.0000	3.2500	3.1600
<u>4" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 150,000 gallons	1.8400	2.5000	1.9200
Over 150,000 gallons	3.0000	3.2500	3.1600
<u>6" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 300,000 gallons	1.8400	2.5000	1.9200
Over 300,000 gallons	3.0000	3.2500	3.1600
<u>8" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 1,125,000 gallons	1.8400	2.5000	1.9200
Over 1,125,000 gallons	3.0000	3.2500	3.1600
<u>10" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 1,500,000 gallons	1.8400	2.5000	1.9200
Over 1,500,000 gallons	3.0000	3.2500	3.1600
<u>12" Meter (Residential, Apartment, Commercial, Industrial)</u>			
First 2,250,000 gallons	1.8400	2.5000	1.9200
Over 2,250,000 gallons	3.0000	3.2500	3.1600
<u>Other Public Authority (All Meter Sizes other than 3/4")</u>			
All Usage	1.8400	2.5000	1.9200
<u>Fire and Hydrant Water</u>			
All Usage	1.8400	2.5000	1.9200
Effluent (per acre foot)	227.7900	See Mohave WW	See Mohave WW

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	6,800	\$ 20.63	\$ 29.69	\$ 9.06	43.92%
Median Usage	5,000	17.32	25.19	\$ 7.87	45.46%
RUCO Recommended					
Average Usage	6,800	\$ 20.63	\$ 21.46	\$ 0.82	3.99%
Median Usage	5,000	17.32	18.00	\$ 0.68	3.93%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 11.00	\$ 15.54	41.30%	\$ 11.40	3.64%
1,000	11.88	17.09	43.88%	12.32	3.70%
2,000	12.76	18.64	46.11%	13.24	3.76%
3,000	13.64	20.19	48.04%	14.16	3.81%
4,000	15.48	22.69	46.60%	16.08	3.88%
5,000	17.32	25.19	45.46%	18.00	3.93%
6,000	19.16	27.69	44.54%	19.92	3.97%
7,000	21.00	30.19	43.78%	21.84	4.00%
8,000	22.84	32.69	43.14%	23.76	4.03%
9,000	24.68	35.19	42.60%	25.68	4.05%
10,000	26.52	37.69	42.13%	27.60	4.07%
11,000	29.52	40.92	38.61%	30.76	4.20%
12,000	32.52	44.14	35.74%	33.92	4.31%
13,000	35.52	47.37	33.36%	37.08	4.39%
14,000	38.52	50.59	31.34%	40.24	4.47%
15,000	41.52	53.82	29.62%	43.40	4.53%
16,000	44.52	57.04	28.13%	46.56	4.58%
17,000	47.52	60.27	26.83%	49.72	4.63%
18,000	50.52	63.49	25.68%	52.88	4.67%
19,000	53.52	66.72	24.66%	56.04	4.71%
20,000	56.52	69.94	23.75%	59.20	4.74%
25,000	71.52	86.07	20.34%	75.00	4.87%
30,000	86.52	102.19	18.11%	90.80	4.95%
35,000	101.52	118.32	16.55%	106.60	5.00%
40,000	116.52	134.44	15.38%	122.40	5.05%
45,000	131.52	150.57	14.48%	138.20	5.08%
50,000	146.52	166.69	13.77%	154.00	5.11%
75,000	221.52	247.32	11.65%	233.00	5.18%
100,000	296.52	327.94	10.60%	312.00	5.22%

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8x3/4 Inch Residential Low Income	N/A	\$ 16.3600	\$ 13.2000
5/8x3/4 Inch	\$ 25.1500	27.2701	22.0000
3/4 Inch	26.1600	28.3610	23.0000
1 Inch	50.3000	54.5403	45.0000
1 1/2 Inch	90.5400	98.1725	80.0000
2 Inch	140.8400	152.7128	125.0000
3 Inch	276.6500	299.9716	250.0000
4 Inch	462.7600	501.7707	420.0000
6 Inch	930.0000	1,008.3990	850.0000
8 Inch	2,245.0000	2,434.2535	1,780.0000
10 Inch	3,228.0000	3,500.1204	2,558.0000
12 Inch	6,034.0000	6,542.6662	4,783.0000
6 Inch Paradise Valley Country Club	790.5000	857.1392	739.6000
Private Fire Protection Service	10.0000	10.0000	10.0000
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>5/8x3/4 and 3/4" Meter (Residential)</u>			
First 5,000 gallons	\$ 1.0500	\$ 1.1408	\$ 0.8000
5,001 to 15,000 gallons	1.2500	1.3581	1.0000
15,001 to 40,000 gallons	2.2000	2.3903	1.8000
40,001 to 80,000 gallons	2.7500	2.9879	2.3200
Over 80,000 gallons	3.2259	3.5049	3.0000
<u>5/8x3/4 and 3/4" Meter (Commercial, Industrial)</u>			
First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A
<u>5/8x3/4 and 3/4" Meter (Commercial, Industrial)</u>			
First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000
<u>1" Meter (Residential)</u>			
First 5,000 gallons	1.0500	1.1408	0.8000
5,001 to 15,000 gallons	1.2500	1.3581	1.0000
15,001 to 40,000 gallons	2.2000	2.3903	1.8000
40,001 to 80,000 gallons	2.7500	2.9879	2.3200
Over 80,000 gallons	3.2259	3.5049	3.0000
<u>1" Meter (Commercial, Industrial)</u>			
First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A
<u>1" Meter (Commercial, Industrial)</u>			
First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000
<u>1.5" Meter (Residential)</u>			
First 5,000 gallons	1.0500	1.1408	0.8000
5,001 to 15,000 gallons	1.2500	1.3581	1.0000
15,001 to 40,000 gallons	2.2000	2.3903	1.8000
40,001 to 80,000 gallons	2.7500	2.9879	2.3200
Over 80,000 gallons	3.2259	3.5049	3.0000
<u>1.5" Meter (Commercial, Industrial)</u>			
First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A
<u>1.5" Meter (Commercial, Industrial)</u>			
First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000
<u>2" Meter (Residential)</u>			
First 5,000 gallons	1.0500	1.1408	0.8000
5,001 to 15,000 gallons	1.2500	1.3581	1.0000
15,001 to 40,000 gallons	2.2000	2.3903	1.8000
40,001 to 80,000 gallons	2.7500	2.9879	2.3200
Over 80,000 gallons	3.2259	3.5049	3.0000

Rate Design

2" Meter (Commercial, Industrial)

First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A

2" Meter (Commercial, Industrial)

First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000

3" Meter (Residential)

First 5,000 gallons	1.0500	N/A	0.8000
5,001 to 15,000 gallons	1.2500	N/A	1.0000
15,001 to 40,000 gallons	2.2000	N/A	1.8000
40,001 to 80,000 gallons	2.7500	N/A	2.3200
Over 80,000 gallons	3.2259	N/A	3.0000

3" Meter (Residential)

First 400,000 gallons	N/A	2.1187	N/A
Over 400,000 gallons	N/A	2.4990	N/A

3" Meter (Commercial, Industrial)

First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A

3" Meter (Commercial, Industrial)

First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000

4" Meter (Residential)

First 5,000 gallons	1.0500	N/A	0.8000
5,001 to 15,000 gallons	1.2500	N/A	1.0000
15,001 to 40,000 gallons	2.2000	N/A	1.8000
40,001 to 80,000 gallons	2.7500	N/A	2.3200
Over 80,000 gallons	3.2259	N/A	3.0000

4" Meter (Residential)

First 400,000 gallons	N/A	2.1187	N/A
Over 400,000 gallons	N/A	2.4990	N/A

4" Meter (Commercial, Industrial)

First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A

4" Meter (Commercial, Industrial)

First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000

6" Meter (Residential)

First 5,000 gallons	1.0500	N/A	0.8000
5,001 to 15,000 gallons	1.2500	N/A	1.0000
15,001 to 40,000 gallons	2.2000	N/A	1.8000
40,001 to 80,000 gallons	2.7500	N/A	2.3200
Over 80,000 gallons	3.2259	N/A	3.0000

6" Meter (Residential)

First 400,000 gallons	N/A	2.1187	N/A
Over 400,000 gallons	N/A	2.4990	N/A

6" Meter (Commercial, Industrial)

First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A

6" Meter (Commercial, Industrial)

First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000

8" Meter (Residential)

First 5,000 gallons	1.0500	N/A	0.8000
5,001 to 15,000 gallons	1.2500	N/A	1.0000
15,001 to 40,000 gallons	2.2000	N/A	1.8000
40,001 to 80,000 gallons	2.7500	N/A	2.3200
Over 80,000 gallons	3.2259	N/A	3.0000

8" Meter (Residential)

First 400,000 gallons	N/A	2.1187	N/A
Over 400,000 gallons	N/A	2.4990	N/A

Rate Design

<u>8" Meter (Commercial, Industrial)</u>			
First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A
<u>8" Meter (Commercial, Industrial)</u>			
First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000
<u>10" Meter (Residential)</u>			
First 5,000 gallons	1.0500	N/A	0.8000
5,001 to 15,000 gallons	1.2500	N/A	1.0000
15,001 to 40,000 gallons	2.2000	N/A	1.8000
40,001 to 80,000 gallons	2.7500	N/A	2.3200
Over 80,000 gallons	3.2259	N/A	3.0000
<u>10" Meter (Residential)</u>			
First 400,000 gallons	N/A	2.1187	N/A
Over 400,000 gallons	N/A	2.4990	N/A
<u>10" Meter (Commercial, Industrial)</u>			
First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A
<u>10" Meter (Commercial, Industrial)</u>			
First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000
<u>12" Meter (Residential)</u>			
First 5,000 gallons	1.0500	N/A	0.8000
5,001 to 15,000 gallons	1.2500	N/A	1.0000
15,001 to 40,000 gallons	2.2000	N/A	1.8000
40,001 to 80,000 gallons	2.7500	N/A	2.3200
Over 80,000 gallons	3.2259	N/A	3.0000
<u>12" Meter (Residential)</u>			
First 400,000 gallons	N/A	2.1187	N/A
Over 400,000 gallons	N/A	2.4990	N/A
<u>12" Meter (Commercial, Industrial)</u>			
First 400,000 gallons	1.9500	2.1187	N/A
Over 400,000 gallons	2.3000	2.4990	N/A
<u>12" Meter (Commercial, Industrial)</u>			
First 70,000 gallons	N/A	N/A	1.8000
Over 70,000 gallons	N/A	N/A	3.0000
<u>Other Public Authority (All Meter Sizes)</u>			
All Usage	1.9500	1.9152	N/A
<u>TURF (All Meter Sizes)</u>			
All Usage	1.6800	2.1187	1.5700
6 Inch Paradise Valley Country Club	1.5600	1.7784	1.4600
Paradise Valley Fire Flow	1.5600	1.7784	1.4600

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	19,271	\$ 52.30	\$ 56.76	\$ 4.47	8.54%
Median Usage	10,000	36.65	39.76	\$ 3.11	8.50%
RUCO Recommended					
Average Usage	19,271	\$ 52.30	\$ 43.69	\$ (8.61)	-16.46%
Median Usage	10,000	36.65	31.00	\$ (5.65)	-15.42%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 25.15	\$ 27.27	8.43%	\$ 22.00	-12.52%
1,000	\$ 26.20	\$ 28.41	8.44%	\$ 22.80	-12.98%
2,000	\$ 27.25	\$ 29.55	8.45%	\$ 23.60	-13.39%
3,000	\$ 28.30	\$ 30.69	8.45%	\$ 24.40	-13.78%
4,000	\$ 29.35	\$ 31.83	8.46%	\$ 25.20	-14.14%
5,000	\$ 30.40	\$ 32.97	8.47%	\$ 26.00	-14.47%
6,000	\$ 31.65	\$ 34.33	8.48%	\$ 27.00	-14.69%
7,000	\$ 32.90	\$ 35.69	8.48%	\$ 28.00	-14.89%
8,000	\$ 34.15	\$ 37.05	8.49%	\$ 29.00	-15.08%
9,000	\$ 35.40	\$ 38.41	8.49%	\$ 30.00	-15.25%
10,000	\$ 36.65	\$ 39.76	8.50%	\$ 31.00	-15.42%
11,000	\$ 37.90	\$ 41.12	8.50%	\$ 32.00	-15.57%
12,000	\$ 39.15	\$ 42.48	8.51%	\$ 33.00	-15.71%
13,000	\$ 40.40	\$ 43.84	8.51%	\$ 34.00	-15.84%
14,000	\$ 41.65	\$ 45.20	8.52%	\$ 35.00	-15.97%
15,000	\$ 42.90	\$ 46.56	8.52%	\$ 36.00	-16.08%
16,000	\$ 45.10	\$ 48.95	8.53%	\$ 37.80	-16.19%
17,000	\$ 47.30	\$ 51.34	8.53%	\$ 39.60	-16.28%
18,000	\$ 49.50	\$ 53.73	8.54%	\$ 41.40	-16.36%
19,000	\$ 51.70	\$ 56.12	8.54%	\$ 43.20	-16.44%
20,000	\$ 53.90	\$ 58.51	8.55%	\$ 45.00	-16.51%
25,000	\$ 64.90	\$ 70.46	8.56%	\$ 54.00	-16.80%
30,000	\$ 75.90	\$ 82.41	8.58%	\$ 63.00	-17.00%
35,000	\$ 86.90	\$ 94.36	8.59%	\$ 72.00	-17.15%
40,000	\$ 97.90	\$ 106.31	8.59%	\$ 81.00	-17.26%
45,000	\$ 111.65	\$ 121.25	8.60%	\$ 92.60	-17.06%
50,000	\$ 125.40	\$ 136.19	8.61%	\$ 104.20	-16.91%
75,000	\$ 194.15	\$ 210.89	8.62%	\$ 162.20	-16.46%
100,000	\$ 272.42	\$ 295.93	8.63%	\$ 233.80	-14.18%

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8x3/4 Inch - Residential Low Income	\$ 4.3800	\$ 6.4228	\$ 4.3800
5/8x3/4 Inch	8.7600	10.7047	8.7600
3/4 Inch	8.7600	10.7047	8.7600
1 Inch	21.8900	26.7618	21.8900
1 1/2 Inch	43.7800	53.5236	43.7800
2 Inch	70.0500	85.6378	70.0500
3 Inch	140.1000	171.2755	140.1000
4 Inch	218.9000	267.6180	218.9000
6 Inch	437.8100	535.2360	437.8100
8 Inch	700.5000	856.3776	700.5000
2 Inch Irrigation	77.5900	94.8150	77.5900
Irrigation Raw	8.1600	9.9715	8.1600
Public Interruptible - Peoria	-	-	-
<u>Monthly Service Charge for Fire Sprinkler</u>			
3 Inch	9.7300	10.8100	9.7300
4 Inch	9.7300	10.8100	9.7300
6 Inch	9.7300	10.8100	9.7300
8 Inch	14.0100	15.5651	14.0100
10 Inch	20.1400	22.3755	20.1400
Private Hydrant Standby - Peoria	8.2200	9.1324	8.2200
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>5/8x3/4 and 3/4" Meter (Residential)</u>			
First 1,000 gallons	\$ 0.7297	\$ 0.7500	\$ 0.7297
1,001 to 3,000 gallons	1.0702	1.3702	1.0702
3,001 to 9,000 gallons	1.3621	1.6602	1.3621
9,001 to 12,000 gallons	1.6539	1.9002	1.6539
Over 12,000 gallons	1.9896	2.1202	1.9896
<u>5/8x3/4 and 3/4" Meter (Commercial)</u>			
First 9,000 gallons	1.3621	1.8302	1.3621
Over 9,000 gallons	1.9896	2.1202	1.9896
<u>1" Meter (Residential)</u>			
First 1,000 gallons	0.7297	0.7500	0.7297
1,001 to 3,000 gallons	1.0702	1.3702	1.0702
3,001 to 9,000 gallons	1.3621	1.6602	1.3621
9,001 to 12,000 gallons	1.6539	1.9002	1.6539
Over 12,000 gallons	1.9896	2.1202	1.9896
<u>1" Meter (Commercial)</u>			
First 20,000 gallons	1.3621	1.8302	1.3621
Over 20,000 gallons	1.9896	2.1202	1.9896
<u>1.5" Meter (Residential)</u>			
First 1,000 gallons	0.7297	N/A	0.7297
1,001 to 3,000 gallons	1.0702	N/A	1.0702
3,001 to 9,000 gallons	1.3621	N/A	1.3621
9,001 to 12,000 gallons	1.6539	N/A	1.6539
Over 12,000 gallons	1.9896	N/A	1.9896
<u>1.5" Meter (Residential)</u>			
First 40,000 gallons	N/A	1.8302	N/A
Over 40,000 gallons	N/A	2.1202	N/A
<u>1.5" Meter (Commercial)</u>			
First 40,000 gallons	1.3621	1.8302	1.3621
Over 40,000 gallons	1.9896	2.1202	1.9896
<u>2" Meter (Residential)</u>			
First 1,000 gallons	0.7297	N/A	0.7297
1,001 to 3,000 gallons	1.0702	N/A	1.0702
3,001 to 9,000 gallons	1.3621	N/A	1.3621
9,001 to 12,000 gallons	1.6539	N/A	1.6539
Over 12,000 gallons	1.9896	N/A	1.9896

Rate Design

<u>2" Meter (Residential)</u>			
First 64,000 gallons	N/A	1.8302	N/A
Over 64,000 gallons	N/A	2.1202	N/A
<u>2" Meter (Commercial)</u>			
First 64,000 gallons	1.3621	1.8302	1.3621
Over 64,000 gallons	1.9896	2.1202	1.9896
<u>3" Meter (Residential)</u>			
First 1,000 gallons	0.7297	N/A	0.7297
1,001 to 3,000 gallons	1.0702	N/A	1.0702
3,001 to 9,000 gallons	1.3621	N/A	1.3621
9,001 to 12,000 gallons	1.6539	N/A	1.6539
Over 12,000 gallons	1.9896	N/A	1.9896
<u>3" Meter (Residential)</u>			
First 131,000 gallons	N/A	1.8302	N/A
Over 131,000 gallons	N/A	2.1202	N/A
<u>3" Meter (Commercial)</u>			
First 131,000 gallons	1.3621	1.8302	1.3621
Over 131,000 gallons	1.9896	2.1202	1.9896
<u>4" Meter (Residential)</u>			
First 1,000 gallons	0.7297	N/A	0.7297
1,001 to 3,000 gallons	1.0702	N/A	1.0702
3,001 to 9,000 gallons	1.3621	N/A	1.3621
9,001 to 12,000 gallons	1.6539	N/A	1.6539
Over 12,000 gallons	1.9896	N/A	1.9896
<u>4" Meter (Residential)</u>			
First 205,000 gallons	N/A	1.8302	N/A
Over 205,000 gallons	N/A	2.1202	N/A
<u>4" Meter (Commercial)</u>			
First 205,000 gallons	1.3621	1.8302	1.3621
Over 205,000 gallons	1.9896	2.1202	1.9896
<u>6" Meter (Residential)</u>			
First 1,000 gallons	0.7297	N/A	0.7297
1,001 to 3,000 gallons	1.0702	N/A	1.0702
3,001 to 9,000 gallons	1.3621	N/A	1.3621
9,001 to 12,000 gallons	1.6539	N/A	1.6539
Over 12,000 gallons	1.9896	N/A	1.9896
<u>6" Meter (Residential)</u>			
First 415,000 gallons	N/A	1.8302	N/A
Over 415,000 gallons	N/A	2.1202	N/A
<u>6" Meter (Commercial)</u>			
First 415,000 gallons	1.3621	1.8302	1.3621
Over 415,000 gallons	1.9896	2.1202	1.9896
<u>8" Meter (Residential)</u>			
First 1,000 gallons	0.7297	N/A	0.7297
1,001 to 3,000 gallons	1.0702	N/A	1.0702
3,001 to 9,000 gallons	1.3621	N/A	1.3621
9,001 to 12,000 gallons	1.6539	N/A	1.6539
Over 12,000 gallons	1.9896	N/A	1.9896
<u>8" Meter (Residential)</u>			
First 670,000 gallons	N/A	1.8302	N/A
Over 670,000 gallons	N/A	2.1202	N/A
<u>8" Meter (Commercial)</u>			
First 670,000 gallons	1.3621	N/A	1.3621
Over 670,000 gallons	1.9896	N/A	1.9896
3 Inch - Public Interruptible (All Gallons)	1.1632	1.3958	1.1632
Public Interruptible - Peoria (All Gallons)	1.1632	1.3958	1.1632
2 Inch Irrigation (All Gallons)	1.2551	1.5061	1.2551
Irrigation - Raw Water (All Gallons)	1.0037	1.2044	1.0037
Private Hydrant - Peoria (All Gallons)	1.1400	1.3680	1.1400
Central Arizona Project - Raw Water (All Gallons)	0.8480	1.0176	0.8480

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	7,203	\$ 17.36	\$ 21.17	\$ 3.82	22.00%
Median Usage	6,000	15.72	19.18	\$ 3.46	22.01%
RUCO Recommended					
Average Usage	7,203	\$ 17.36	\$ 17.36	\$ -	0.00%
Median Usage	6,000	15.72	15.72	\$ -	0.00%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 8.76	\$ 10.70	22.20%	\$ 8.76	0.00%
1,000	\$ 9.49	\$ 11.45	20.71%	\$ 9.49	0.00%
2,000	\$ 10.56	\$ 12.82	21.45%	\$ 10.56	0.00%
3,000	\$ 11.63	\$ 14.20	22.06%	\$ 11.63	0.00%
4,000	\$ 12.99	\$ 15.86	22.04%	\$ 12.99	0.00%
5,000	\$ 14.35	\$ 17.52	22.02%	\$ 14.35	0.00%
6,000	\$ 15.72	\$ 19.18	22.01%	\$ 15.72	0.00%
7,000	\$ 17.08	\$ 20.84	22.00%	\$ 17.08	0.00%
8,000	\$ 18.44	\$ 22.50	21.99%	\$ 18.44	0.00%
9,000	\$ 19.80	\$ 24.16	21.98%	\$ 19.80	0.00%
10,000	\$ 21.46	\$ 26.06	21.44%	\$ 21.46	0.00%
11,000	\$ 23.11	\$ 27.96	20.97%	\$ 23.11	0.00%
12,000	\$ 24.76	\$ 29.86	20.56%	\$ 24.76	0.00%
13,000	\$ 26.75	\$ 31.98	19.52%	\$ 26.75	0.00%
14,000	\$ 28.74	\$ 34.10	18.63%	\$ 28.74	0.00%
15,000	\$ 30.73	\$ 36.22	17.84%	\$ 30.73	0.00%
16,000	\$ 32.72	\$ 38.34	17.16%	\$ 32.72	0.00%
17,000	\$ 34.71	\$ 40.46	16.55%	\$ 34.71	0.00%
18,000	\$ 36.70	\$ 42.58	16.01%	\$ 36.70	0.00%
19,000	\$ 38.69	\$ 44.70	15.52%	\$ 38.69	0.00%
20,000	\$ 40.68	\$ 46.82	15.09%	\$ 40.68	0.00%
25,000	\$ 50.63	\$ 57.42	13.41%	\$ 50.63	0.00%
30,000	\$ 60.58	\$ 68.02	12.29%	\$ 60.58	0.00%
35,000	\$ 70.53	\$ 78.62	11.48%	\$ 70.53	0.00%
40,000	\$ 80.47	\$ 89.22	10.87%	\$ 80.47	0.00%
45,000	\$ 90.42	\$ 99.82	10.40%	\$ 90.42	0.00%
50,000	\$ 100.37	\$ 110.42	10.02%	\$ 100.37	0.00%
75,000	\$ 150.11	\$ 163.43	8.87%	\$ 150.11	0.00%
100,000	\$ 199.85	\$ 216.43	8.30%	\$ 199.85	0.00%

Rate Design

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8x3/4 Inch - Residential Low Income	N/A	\$ 28.9435	\$ 19.8000
5/8x3/4 Inch	\$ 24.7000	48.2391	33.0000
3/4 Inch	24.7000	48.2391	33.0000
1 Inch	74.1000	120.5978	82.5000
1 1/2 Inch	144.3800	241.1955	165.0000
2 Inch	230.5300	385.9128	264.0000
3 Inch	461.0000	771.8256	528.0000
4 Inch	722.0000	1,205.9775	825.0000
6 Inch	1,440.0000	2,411.9550	1,650.0000
8 Inch	2,305.0000	3,859.1280	2,640.0000
10 Inch	3,220.0000	5,547.4965	3,795.0000
12 Inch	6,208.0000	10,371.4065	7,095.0000
<u>Commodity Charge - Per 1,000 Gallons</u>			
<u>5/8x3/4 and 3/4" Meter (Residential)</u>			
First 3,000 gallons	\$ 1.9000	\$ 5.3300	\$ 3.4000
3,001 to 10,000 gallons	3.0000	6.8300	4.9000
10,001 to 20,000 gallons	4.0000	8.1800	6.6000
Over 20,000 gallons	6.0000	9.3800	8.8000
<u>5/8x3/4 and 3/4" Meter (Commercial)</u>			
First 20,000 gallons	4.0000	7.6800	6.6000
Over 20,000 gallons	6.0000	9.3800	8.8000
<u>1" Meter (Residential, Commercial)</u>			
First 35,000 gallons	4.0000	7.6800	6.6000
Over 35,000 gallons	6.0000	9.3800	8.8000
<u>1.5" Meter (Residential, Commercial)</u>			
First 85,000 gallons	4.0000	7.6800	6.6000
Over 85,000 gallons	6.0000	9.3800	8.8000
<u>2" Meter (Residential, Commercial)</u>			
First 150,000 gallons	4.0000	7.6800	6.6000
Over 150,000 gallons	6.0000	9.3800	8.8000
<u>3" Meter (Residential, Commercial)</u>			
First 175,000 gallons	4.0000	7.6800	6.6000
Over 175,000 gallons	6.0000	9.3800	8.8000
<u>4" Meter (Residential, Commercial)</u>			
First 250,000 gallons	4.0000	7.6800	6.6000
Over 250,000 gallons	6.0000	9.3800	8.8000
<u>6" Meter (Residential, Commercial)</u>			
First 350,000 gallons	4.0000	7.6800	6.6000
Over 350,000 gallons	6.0000	9.3800	8.8000
<u>8" Meter (Residential, Commercial)</u>			
First 900,000 gallons	4.0000	7.6800	6.6000
Over 900,000 gallons	6.0000	9.3800	8.8000
<u>10" Meter (Residential, Commercial)</u>			
First 1,500,000 gallons	4.0000	7.6800	6.6000
Over 1,500,000 gallons	6.0000	9.3800	8.8000
<u>12" Meter (Residential, Commercial)</u>			
First 2,250,000 gallons	4.0000	7.6800	6.6000
Over 2,250,000 gallons	6.0000	9.3800	8.8000

Typical Bill Analysis Without ACRM
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	8,348	\$ 46.44	\$ 100.76	\$ 54.31	116.94%
Median Usage	5,000	36.40	77.89	\$ 41.49	113.98%
<u>RUCO Recommended</u>					
Average Usage	8,348	\$ 46.44	\$ 69.41	\$ 22.96	49.44%
Median Usage	5,000	36.40	53.00	\$ 16.60	45.60%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 24.70	\$ 48.24	95.30%	\$ 33.00	33.60%
1,000	\$ 26.60	\$ 53.57	101.39%	\$ 36.40	36.84%
2,000	\$ 28.50	\$ 58.90	106.66%	\$ 39.80	39.65%
3,000	\$ 30.40	\$ 64.23	111.28%	\$ 43.20	42.11%
4,000	\$ 33.40	\$ 71.06	112.75%	\$ 48.10	44.01%
5,000	\$ 36.40	\$ 77.89	113.98%	\$ 53.00	45.60%
6,000	\$ 39.40	\$ 84.72	115.02%	\$ 57.90	46.95%
7,000	\$ 42.40	\$ 91.55	115.92%	\$ 62.80	48.11%
8,000	\$ 45.40	\$ 98.38	116.69%	\$ 67.70	49.12%
9,000	\$ 48.40	\$ 105.21	117.37%	\$ 72.60	50.00%
10,000	\$ 51.40	\$ 112.04	117.97%	\$ 77.50	50.78%
11,000	\$ 55.40	\$ 120.22	117.00%	\$ 84.10	51.81%
12,000	\$ 59.40	\$ 128.40	116.16%	\$ 90.70	52.69%
13,000	\$ 63.40	\$ 136.58	115.42%	\$ 97.30	53.47%
14,000	\$ 67.40	\$ 144.76	114.78%	\$ 103.90	54.15%
15,000	\$ 71.40	\$ 152.94	114.20%	\$ 110.50	54.76%
16,000	\$ 75.40	\$ 161.12	113.69%	\$ 117.10	55.31%
17,000	\$ 79.40	\$ 169.30	113.22%	\$ 123.70	55.79%
18,000	\$ 83.40	\$ 177.48	112.80%	\$ 130.30	56.24%
19,000	\$ 87.40	\$ 185.66	112.42%	\$ 136.90	56.64%
20,000	\$ 91.40	\$ 193.84	112.08%	\$ 143.50	57.00%
25,000	\$ 121.40	\$ 240.74	98.30%	\$ 187.50	54.45%
30,000	\$ 151.40	\$ 287.64	89.99%	\$ 231.50	52.91%
35,000	\$ 181.40	\$ 334.54	84.42%	\$ 275.50	51.87%
40,000	\$ 211.40	\$ 381.44	80.43%	\$ 319.50	51.14%
45,000	\$ 241.40	\$ 428.34	77.44%	\$ 363.50	50.58%
50,000	\$ 271.40	\$ 475.24	75.11%	\$ 407.50	50.15%
75,000	\$ 421.40	\$ 709.74	68.42%	\$ 627.50	48.91%
100,000	\$ 571.40	\$ 944.24	65.25%	\$ 847.50	48.32%

Typical Bill Analysis With ACRM
General Service 5/8 x 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	8,348	\$ 53.57	\$ 100.76	\$ 47.18	88.08%
Median Usage	5,000	42.10	77.89	\$ 35.79	85.03%
RUCO Recommended					
Average Usage	8,348	\$ 53.57	\$ 69.41	\$ 15.83	29.56%
Median Usage	5,000	42.10	53.00	\$ 10.90	25.90%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 28.26	\$ 48.24	70.70%	\$ 33.00	16.77%
1,000	\$ 30.59	\$ 53.57	75.14%	\$ 36.40	19.00%
2,000	\$ 32.91	\$ 58.90	78.95%	\$ 39.80	20.92%
3,000	\$ 35.24	\$ 64.23	82.25%	\$ 43.20	22.58%
4,000	\$ 38.67	\$ 71.06	83.76%	\$ 48.10	24.39%
5,000	\$ 42.10	\$ 77.89	85.03%	\$ 53.00	25.90%
6,000	\$ 45.52	\$ 84.72	86.10%	\$ 57.90	27.19%
7,000	\$ 48.95	\$ 91.55	87.02%	\$ 62.80	28.29%
8,000	\$ 52.38	\$ 98.38	87.82%	\$ 67.70	29.25%
9,000	\$ 55.81	\$ 105.21	88.53%	\$ 72.60	30.09%
10,000	\$ 59.23	\$ 112.04	89.15%	\$ 77.50	30.84%
11,000	\$ 63.66	\$ 120.22	88.84%	\$ 84.10	32.11%
12,000	\$ 68.09	\$ 128.40	88.58%	\$ 90.70	33.21%
13,000	\$ 72.51	\$ 136.58	88.35%	\$ 97.30	34.18%
14,000	\$ 76.94	\$ 144.76	88.14%	\$ 103.90	35.04%
15,000	\$ 81.37	\$ 152.94	87.96%	\$ 110.50	35.80%
16,000	\$ 85.80	\$ 161.12	87.79%	\$ 117.10	36.49%
17,000	\$ 90.22	\$ 169.30	87.64%	\$ 123.70	37.10%
18,000	\$ 94.65	\$ 177.48	87.51%	\$ 130.30	37.66%
19,000	\$ 99.08	\$ 185.66	87.39%	\$ 136.90	38.17%
20,000	\$ 103.51	\$ 193.84	87.27%	\$ 143.50	38.64%
25,000	\$ 135.64	\$ 240.74	77.48%	\$ 187.50	38.23%
30,000	\$ 167.78	\$ 287.64	71.44%	\$ 231.50	37.98%
35,000	\$ 199.92	\$ 334.54	67.34%	\$ 275.50	37.81%
40,000	\$ 232.05	\$ 381.44	64.38%	\$ 319.50	37.68%
45,000	\$ 264.19	\$ 428.34	62.13%	\$ 363.50	37.59%
50,000	\$ 296.33	\$ 475.24	60.38%	\$ 407.50	37.52%
75,000	\$ 457.01	\$ 709.74	55.30%	\$ 627.50	37.31%
100,000	\$ 617.69	\$ 944.24	52.87%	\$ 847.50	37.20%

Rate Design

Monthly Usage Charge	Present	Company Proposed Rates	RUCO Recommended Rates
<u>Meter Size (All Classes):</u>			
Residential (per ERU)	\$ 56.5500	\$ 81.9975	\$ 70.9703
Commercial (per ERU)	56.5500	81.9975	70.9703
Public Authority (per ERU)	56.5500	81.9975	70.9703
Large Commercial	72.8900	105.8905	91.4770
<u>Commodity Charge - Per 1,000 Gallons</u>			
Large Commercial	\$ 2.2800	\$ 3.3060	\$ 2.8614
Effluent	\$ 0.6991	\$ 0.6991	\$ 0.6991

Typical Bill Analysis
Residential

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	1,436	\$ 56.55	\$ 82.00	\$ 25.45	45.00%
Median Usage	N/A	N/A	N/A	N/A	N/A
RUCO Recommended					
Average Usage	1,436	\$ 56.55	\$ 70.97	\$ 14.42	25.50%
Median Usage	N/A	N/A	N/A	N/A	N/A

Present & Proposed Rates (Without Taxes)
Residential

Gallons Consumption	Present Rates	Company Proposed Rates	% Increase	RUCO Recommended Rates	% Increase
-	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
1,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
2,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
3,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
4,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
5,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
6,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
7,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
8,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
9,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
10,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
11,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
12,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
13,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
14,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
15,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
16,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
17,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
18,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
19,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
20,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
25,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
30,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
35,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
40,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
45,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
50,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
75,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%
100,000	\$ 56.55	\$ 82.00	45.00%	\$ 70.97	25.50%